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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

ALSO ADMITTED:

N.Y., IND., OHIO, MD., PA.,  
VA., CONN., N.J., CA.

\*ADMITTED MD. & N.J. ONLY  
\*\*ADMITTED CA. & VA. ONLY

September 6, 1994

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Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

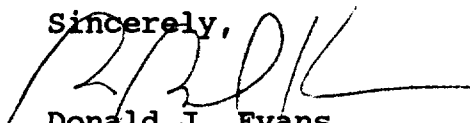
Re: CC Docket No. 94-11  
File No. 10209-CL-P-715-B 88  
In re Application of Telephone and Data Systems, Inc. for  
Facilities in the Domestic Public Cellular  
Telecommunications Radio Service on Frequency Block B in  
Market 715, Wisconsin 8 (Vernon), Rural Service Area  
Submission of Transcripts of Depositions

Dear Mr. Caton:

Attached herewith are an original and two copies of transcripts of depositions, taken in the above referenced matter, of the following individuals: Allison T. Compeaux, James P. Brady, John A. Brady, Jr., and Sinclair H. Crenshaw.

Please do not hesitate to contact the undersigned counsel should you have any questions in this regard.

Sincerely,



Donald J. Evans  
R. Bradley Koerner  
Counsel for GTE Mobilnet Incorporated

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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

SEP - 6 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

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\* \* \* \* \*  
IN RE: APPLICATION OF  
TELEPHONE AND DATA SYSTEMS,  
INC. FOR FACILITIES IN THE  
DOMESTIC PUBLIC CELLULAR  
TELECOMMUNICATIONS RADIO  
SERVICE ON FREQUENCY BLOCK  
B, IN MARKET 715,  
WISCONSIN 8 (VERNON), RURAL  
SERVICE AREA  
\* \* \* \* \*

CC DOCKET  
NO. 94-11  
FILE NO.  
10209-cl-  
p-715-b-88

ORIGINAL

# EXHIBITS

Deposition of SINCLAIR H. CRENSHAW,  
taken on Wednesday, July 20, 1994, in the  
offices of Lafourche Telephone Company, 112  
West 10th Street, Larose, Louisiana 70373.



*Beuf P# 2*  
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**Before the  
Federal Communications Commission**

**Washington, D.C. 20554**

**SEP - 6 1994**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY**

In re Applications of

LA STAR CELLULAR  
TELEPHONE COMPANY

For a Construction Permit for  
Facilities Operating on Block B in  
the Domestic Public Cellular Radio  
Telecommunications Service in the  
New Orleans, Louisiana MSA

and

NEW ORLEANS CGSA, INC.

To Amend its Construction Permit  
for Facilities Operating on Block  
B in the Domestic Public Cellular  
Radio Telecommunications Service.  
Call Sign KNKA224, in the  
New Orleans, Louisiana MSA.

) CC Docket No. 90-257

) File No. 27161-CL-P-83

) File No. 29010-CL-P-83

) File No. 29181-CL-P-85

TO: The Honorable Joseph Chachkin  
Administrative Law Judge

**LA STAR CELLULAR TELEPHONE COMPANY**

**DIRECT CASE EXHIBITS**

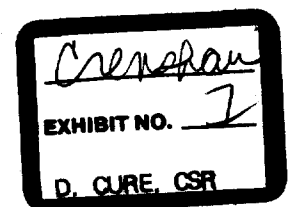
**VOLUME 3**

Gary S. Smithwick  
Arthur V. Belendiuk  
Lisa Thornton  
SMITHWICK & BELENDIUK, P.C.  
2033 M Street, N.W.  
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Washington, D.C. 20036  
(202) 785-2800

Counsel for

**LA STAR CELLULAR TELEPHONE COMPANY**

September 18, 1990



SJI 001352



La Star Exhibit 12

TESTIMONY OF JOHN A. BRADY, JR.

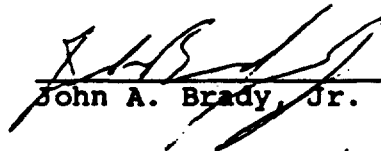
SJI 001353



**DECLARATION**

I, John A. Brady, Jr., Chairman, hereby declare under penalty of perjury that the following testimony is true and accurate to the best of my knowledge and belief.

Executed this 12<sup>th</sup> day of September, 1990.

  
\_\_\_\_\_  
John A. Brady, Jr.



**TESTIMONY**  
**OF**  
**JOHN A. BRADY, JR.**

I, John A. Brady, Jr., am the Chairman of the Management Committee of La Star Cellular Telephone Company ("La Star") and will be the General Manager of the cellular system in St. Tammany Parish. I am President, Secretary, Treasurer and a Director of SJI, Inc. ("SJI"), which is the parent company of SJI Cellular, Inc. ("SJI Cellular"), the 51 percent venturer of La Star.

SJI is also the parent company of Lafourche Telephone Company, Inc. ("Lafourche"). I am the son of the founder of Lafourche. Lafourche is a wireline telephone company formed in 1948 and currently has approximately 11,500 access lines. In addition to basic telephone service, Lafourche also provides IMTS, paging and mobile marine services.

SJI is also the parent company of MobileTel, Inc. ("MobileTel"). MobileTel is the wireline licensee in the Houma-Thibodaux MSA. (See Attachment A) MobileTel is also the tentative selectee in Louisiana RSAs 8 and 9. (See Attachment A) BellSouth Mobility has filed Petitions to Deny Mobiltel's applications in Louisiana RSAs 8 and 9. The two RSAs, as well as the Houma-Thibodaux MSA, directly border on the New Orleans MSA. SJI, through MobileTel has a strong community of interest with the New Orleans MSA, including St. Tammany Parish. SJI's primary interest and base of operation is southeastern Louisiana. It is in SJI's best financial self-interest that La Star remain under



the control and management of SJI Cellular. Frankly, New Orleans CGSA, Inc.'s ("NOCGSA") accusation that SJI Cellular did or would ever relinquish control of St. Tammany Parish is preposterous.

My initial contact on the La Star project was William Erdman of Maxcell Telecom Plus, Inc. ("Maxcell"). Maxcell, one of Star Cellular Telephone Company's ("Star") original venturers, had experience preparing cellular applications and therefore, Star offered to pay for the filing and prosecution of the applications in return for a 49 percent interest in the application. At the time, SJI had no cellular experience. SJI did not file for the Houma-Thibodaux MSA and Louisiana RSAs 8 and 9 until several years later. An agreement was reached between SJI and Maxcell. SJI would retain 51 percent of the venture and would appoint three of the five members of a management committee. In return for receiving a 49 percent interest in an application it would otherwise not be authorized to file, Star agreed to bear the cost of preparing and prosecuting the application.

At the time, no one believed that this litigation would go on for seven years. As a minority venturer, Star wanted certain protections and guarantees that its interest would not be squandered. For example, since Star was providing 100 percent of the financing in prosecuting the application, it wanted to have a say in any final settlement of the proceeding. Hence, certain



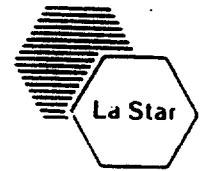


supermajority voting provisions were included in the Joint Venture Agreement.

I reviewed the Joint Venture Agreement before I signed it and had my attorney review it. I was advised that the provisions contained in the Joint Venture Agreement were reasonable and prudent and fully complied with all aspects of FCC Rules and policies. On this basis, I entered into the Joint Venture Agreement.

In negotiating with Star, I had certain requirements regarding the proposed system. Chief among these was the system design. As I stated at my deposition, I laid out the parameters under which the engineers would design the system. The initial system was six cells at my insistence, for a couple of fundamental reasons. One of which is, I wanted a better system than BellSouth Mobility had. The second of which is, I wanted to commit the 49 percent venturer to what I considered a long range system and not a short range system. The engineers did comply with my request and that is exactly what La Star filed. Had the system not been designed to my specifications, I would not have allowed the application to be filed.

From the very inception of the joint venture, SJI Cellular has been in full and complete control of the venture. SJI Cellular's control is consistent with its 51 percent majority



interest. SJI Cellular appointed three members of La Star's five member Management Committee.

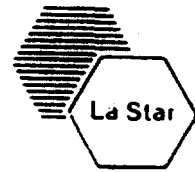
At no time, either prior to United States Cellular Corporation's ("USCC") purchase of Star or after the purchase, has SJI Cellular given up control of La Star, nor has Star attempted to exert control over La Star. There has not been a single instance in which Star has threatened to withhold payment in return for concessions on SJI Cellular's part. Nor has Star ever exercised or threatened to exercise any of the supermajority provisions contained in the Joint Venture Agreement.

During the seven year history of the La Star litigation, SJI Cellular has controlled and directed the prosecution of La Star's application. There is not a single instance in which the minority venturer has attempted to gain control over the prosecution of the application.

La Star has independent legal counsel and an independent engineering consultant. Both work for La Star and not for SJI Cellular or Star, individually. To my knowledge, neither work for USCC, Telephone and Data Systems, Inc. ("TDS") or any of Star's affiliates. Arthur V. Belendiuk was La Star's counsel before USCC purchased its minority interest in La Star. Richard L. Biby was retained as La Star's engineering consultant on the advice of La Star's counsel.



To date, La Star's Management Committee has functioned on an informal basis. La Star currently does not have a formal operating system. There are no day-to-day decisions that need to be made. There have been years in which La Star did little more than wait for a decision or action from either the Court of Appeals or the Federal Communications Commission. La Star has no facilities to manage, no operating cash flow to tend, no employees to hire or fire, no buildings or towers to construct, no equipment to maintain, repair or replace. La Star is a shell waiting to receive authorization to commence operations. Formal meetings have not been held, because there is nothing for La Star to decide at such meetings. In the seven year history of this litigation, there has been only one basic question to answer, and that is whether to continue to attempt to obtain operating authority in St. Tammany Parish. At various junctures this question has been asked, and, at each and every juncture the answer has been a resounding and unanimous "yes." The work of prosecuting La Star's application has been left to lawyers and engineers. No one on the Management Committee is an FCC lawyer or an engineer, and each can offer little help in the preparation of legal documents or engineering design. The functions of prosecution La Star's application have been delegated to people in La Star's employ.



La Star's primary activity, so far, has been to enforce its right to file and prosecute its application for the construction and operation of a cellular system in St. Tammany Parish. The greatest number of decisions that La Star has had to make have involved the course of action and direction of the litigation. Usually, I or Sinclair H. Crenshaw, an employee of SJI and a member of the Management Committee, receive a telephone call from Mr. Belendiuk. We discuss a particular course of action to follow and then I or Mr. Crenshaw instruct Mr. Belendiuk on how to proceed. Mr. Belendiuk then usually calls someone at USCC, Star's parent company, and advises them of the course of action to be taken. If there is no disagreement (and there has never been any, to my knowledge), there is no need for a meeting between SJI Cellular and Star. In each and every instance that I, or any member of the Management Committee representing SJI Cellular, has instructed Mr. Belendiuk to take a particular course of action, Mr. Belendiuk has proceeded as specifically instructed. No action has been taken by La Star, either directly or indirectly through its counsel or consulting engineer, at any time, that I was not aware of and that I did not approve in advance.

The two venturers, SJI Cellular and Star have rarely had the need to meet to discuss specific business. I am aware of three



specific meetings (though there have been numerous telephone calls which were necessary to conduct routine business). The first was held in Chicago, Illinois immediately after USCC purchased its interest in Star. Present at that meeting on behalf of Star were Kenneth R. Meyers, and H. Donald Nelson. Also present were other members of USCC's management team including TDS' Chairman of the Board, Leroy Carlson, Sr. The primary purpose of the meeting was to assure SJI Cellular that USCC would in no way attempt to change the terms of the Joint Venture Agreement and that the management of La Star would remain with SJI Cellular. Since that time, USCC has faithfully complied with the terms of the Joint Venture Agreement.

The second meeting, was a telephone conference held June 28, 1989 by the Management Committee. At the time, a meeting was scheduled at the FCC between La Star and NOCGSA to discuss settlement. Because of the wide variety of options and the different perspectives of the two venturers, a telephone conference was held. Several settlement options were discussed and, in the end, the Committee unanimously agreed to follow the settlement plan proposed by Mr. Crenshaw, a member of the Management Committee, appointed by SJI Cellular.

A third meeting of the Management Committee was held (by telephone) in June, 1990 to discuss amendment of the Joint



Venture Agreement. The purpose of the amendment, as drafted by counsel for La Star, was to remove certain supermajority voting provisions which had never been invoked and which were of little consequence to SJI Cellular, and to require SJI Cellular to pay 51 percent of the costs of prosecuting the application. Again, the Management Committee unanimously agreed to the amendment, and La Star has been abiding by it since its effective date.

Section 4.5 of the Joint Venture Agreement (Attached as Attachments B and C hereto are copies of La Star's Joint Venture Agreement and its Amendment to the Joint Venture Agreement) prevents Star, USCC, TDS and their affiliates, directors, officers or employees from entering into any agreement or transaction with La Star for the construction, management, operation, maintenance and marketing of La Star's system and the marketing of La Star's services and products at the wholesale or retail level. Further, Star, USCC, TDS and their affiliates, directors, officers, or employees shall not construct, manage, operate or maintain La Star's system nor market La Star's services and products. I believe Section 4.5, prior to and after the amendment, fully protects SJI Cellular from any undue influence from or attempted control by Star. Further, even if the Joint Venture Agreement did not contain this provision, for USCC to provide any of these services would require a simple



majority vote of the Management Committee. St. Tammany Parish is important to the development of SJI's cellular service. To allow the operation to be delegated to another party would not be in SJI's best interest. Under no circumstances would SJI Cellular allow any entity other than SJI Cellular to construct, operate or manage the St. Tammany Parish system. In time, it is SJI's plan for St. Tammany Parish to become an integral part the SJI family of cellular systems.

In the three years since USCC purchased its interest in Star, SJI Cellular has requested support and assistance from USCC in prosecuting La Star's application. It has been my understanding that Star's 49 percent joint venture voting interest in La Star, gave Star and its parent companies the right to assist SJI Cellular in prosecuting La Star's application. In 1987, when La Star amended its application to update information provided in 1983, USCC assisted by preparing a budget model which was used in calculating La Star's construction and first year operating costs. At the time, the Houma-Thibodaux cellular system was not yet operational, and USCC had real world operating numbers and agreed to share those with La Star. Any numbers that La Star could have produced without the help of USCC would have



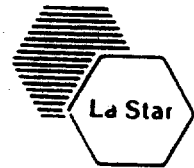
been less accurate.<sup>1</sup> SJI Cellular discussed the matter with La Star's counsel and the Management Committee agreed to request that USCC produce a budget model. I reviewed the work in progress and reviewed the final exhibit before it was submitted to the FCC. While USCC worked on preparing the budget model, I was responsible for each and every exhibit in the 1987 amendment. No single exhibit was prepared without my prior approval. No document was submitted to the FCC unless I had an opportunity to review it and check it for accuracy.

La Star also amended its financial showing in 1987. The showing was based on a commitment from TDS supported by a letter from Harris Bank. The financial commitment from American Security Bank submitted in La Star's 1983 application was no longer available. In addition to negotiating a commitment from TDS, I contacted Jackson Bank of Mississippi and First Interstate Bank in Thibodaux, Louisiana. The financing package available from TDS was considerably better than that offered by Jackson Bank or First Interstate Bank. I believed it was in the best interest of La Star to use available financing with the best terms.

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<sup>1</sup> Even with real world numbers supporting its application, NOCGSA filed a Petition to Deny La Star's application and amendment claiming that La Star's proposed equipment costs and operating expenses were not realistic.





The fact that TDS has promised to supply the necessary financing for construction and first year operating expenses of the St. Tammany Parish system, does not give TDS any right to control or operate the St. Tammany Parish system. First, neither TDS nor USCC has ever tried to exercise control as a result of TDS's commitment of financing. Second, should such an event occur, SJI and its affiliate companies have sufficient financial resources to acquire financing on short notice from another source.

I am aware that USCC paid for attorney's fees, engineering fees, consulting fees and renewals of cell site options, pursuant to the Joint Venture Agreement, and that an employee at USCC executed some of the extensions of cell site option agreements at La Star's counsel's request. TDS also prepared La Star's 1988 and 1989 tax returns at SJI Cellular's request. I was aware of all of the actions at the times they occurred. They give USCC or TDS no right to control the affairs of La Star. I am also aware that, in response to a Petition to Deny La Star's application filed by New Orleans CGSA, Inc., an employee of USCC reviewed La Star's proposed equipment costs at the request of La Star's counsel, and found them to be reasonable and that La Star submitted a Declaration to the FCC to that effect.



USCC, through Star, is a forty-nine percent joint venturer in La Star's application. It has a right to be actively involved. Pursuant to the terms of the Joint Venture Agreement, it had a legal duty to pay the costs of filing and prosecuting La Star's application. Pursuant to the Joint Venture Agreement, it also has a right and obligation to participate in the prosecution of La Star's application. USCC's actions were not taken unilaterally, they were taken with the knowledge and consent of SJI Cellular.

USCC has never taken any action on behalf of La Star that I was not aware of or that I did not fully approve in advance. Actions taken by USCC have been taken because I, individually or through counsel, have requested USCC's assistance.

The following is a list of services that I or SJI Cellular have provided on behalf of La Star. This list is not exhaustive but provides a basis for SJI Cellular's statements that, at all times, it was in control of La Star.

1. I negotiated with William Erdman of Maxcell the basic terms and conditions of the La Star Joint Venture Agreement.
2. At my insistence, the initial application was designed as a fully developed six-cell system.
3. I participated in the preparation of the initial La Star application in 1983. In that application, I was proposed as the



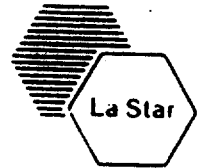
system's General Manager. (See Attachment D) I also became Chairman of La Star's Management Committee. I reviewed each of the application's exhibits and executed the FCC Form 401.

4. In 1984, I directed the filing of La Star's application for review to the FCC of the dismissal of its application.

5. In 1985, I directed the filing of La Star's appeal of the dismissal of its application to the United States Court of Appeals for the District of Columbia.

6. In February 1987, after the oral argument but before the Court of Appeals issued its decision, I traveled to New Orleans to meet with the original members of the Management Committee. It was clear to us at that time, that the Court was going to rule in our favor, and we wanted to have a strategy session to decide how to proceed. This meeting took place six months before USCC acquired its interest in La Star.

7. In 1987, both prior and subsequent to the time USCC acquired its interest in La Star, I negotiated with representatives of NOCGSA concerning a potential settlement of the La Star proceeding. Specifically, I spoke with John Cossart and Roy Etheridge of BellSouth Mobility. Neither Mr. Cossart nor Mr. Etheridge were confused as to who I was, who I represented, or how La Star conducted its business.



8. In 1987, I traveled to Chicago to participate in a meeting of the Management Committee. At that time, it was critical to me that our new partner was in agreement with our goals and would not hinder us in pursuing them. I left Chicago satisfied that our position as La Star's majority venturer would be respected by USCC.

9. In 1987, I directed counsel to file an application for review of the grant of special temporary authority to NOCGSA. I approved subsequent oppositions to the Commission's continued extension of that authority.

10. In 1987, I directed counsel to file with the Commission a request for joint interim operating authority.

11. In 1987, I was advised that NOCGSA had filed a major amendment seeking to expand its CGSA in St. Tammany Parish. I authorized La Star's counsel to file a petition to deny.

12. In 1987, I directed the preparation of La Star's 1987 amendment. I reviewed and approved each exhibit in that amendment, and executed the amendment. Specifically, I negotiated with two banks and TDS concerning financing. I reviewed and approved the financing offered by TDS. Again, I was proposed as the system's General Manager. (See Attachment E)

13. I approved the filing of a petition to deny in response to NOCGSA's 1987 amendment.



14. I was advised of the fact that NOCGSA had filed a petition to deny La Star's application and amendment. I directed counsel to prepare and file an appropriate reply.

15. In 1988, I directed counsel to file La Star's application for interim operating authority. In preparing the application, I participated in various strategy sessions which included such decisions as cellular system design, financing, the possible implementation of portable cells for the quick deployment of an interim system, and the possibility of switch sharing with a neighboring cellular system. In short, I provided such assistance as I could, giving direction where I was able.

16. In 1988, I approved a petition to the Court of Appeals asking it to issue a writ of mandamus to order the Commission to act on La Star's pending application.

17. In 1988, prior to a settlement meeting between La Star's attorney and John Cossart and Roy Etheridge of NOCGSA, I instructed La Star's attorney with respect to settlement policy. On that occasion, there was no formal meeting or conference of the Management Committee, however, SJI Cellular and Star were able to present a united front. No meeting was necessary. A simple telephone call was sufficient.

18. In 1989, I participated in formulating a settlement strategy to present to NOCGSA. I participated in a telephone



conference among the members of the Management Committee, representing SJI Cellular and Star. I, along with my brother, James P. Brady, and Sinclair H. Crenshaw, traveled to Washington to meet with John Cossart, Roy Etheridge and members of the FCC's staff for the purpose of discussing settlement. USCC did not send any member of the Management Committee but rather chose to send its corporate attorney, Michael Hron.

19. After the settlement meeting in the offices of the FCC, I also had individual telephone discussions and in-person meetings with Roy Etheridge. Mr. Etheridge was not confused as to how La Star conducted its business or who had authority to make decisions.

20. In 1989, I approved the Petition to Deny the BellSouth and LIN merger. I was advised by La Star's counsel that such a merger would constitute a transfer of control of NOCGSA's St. Tammany Parish application.

21. Recently, after the Commission issued the Order Designation Applications for Hearing, I made the initial decision to continue to prosecute La Star's application for the FCC authorization for the cellular system in St. Tammany Parish. The decision to continue has always been mine.

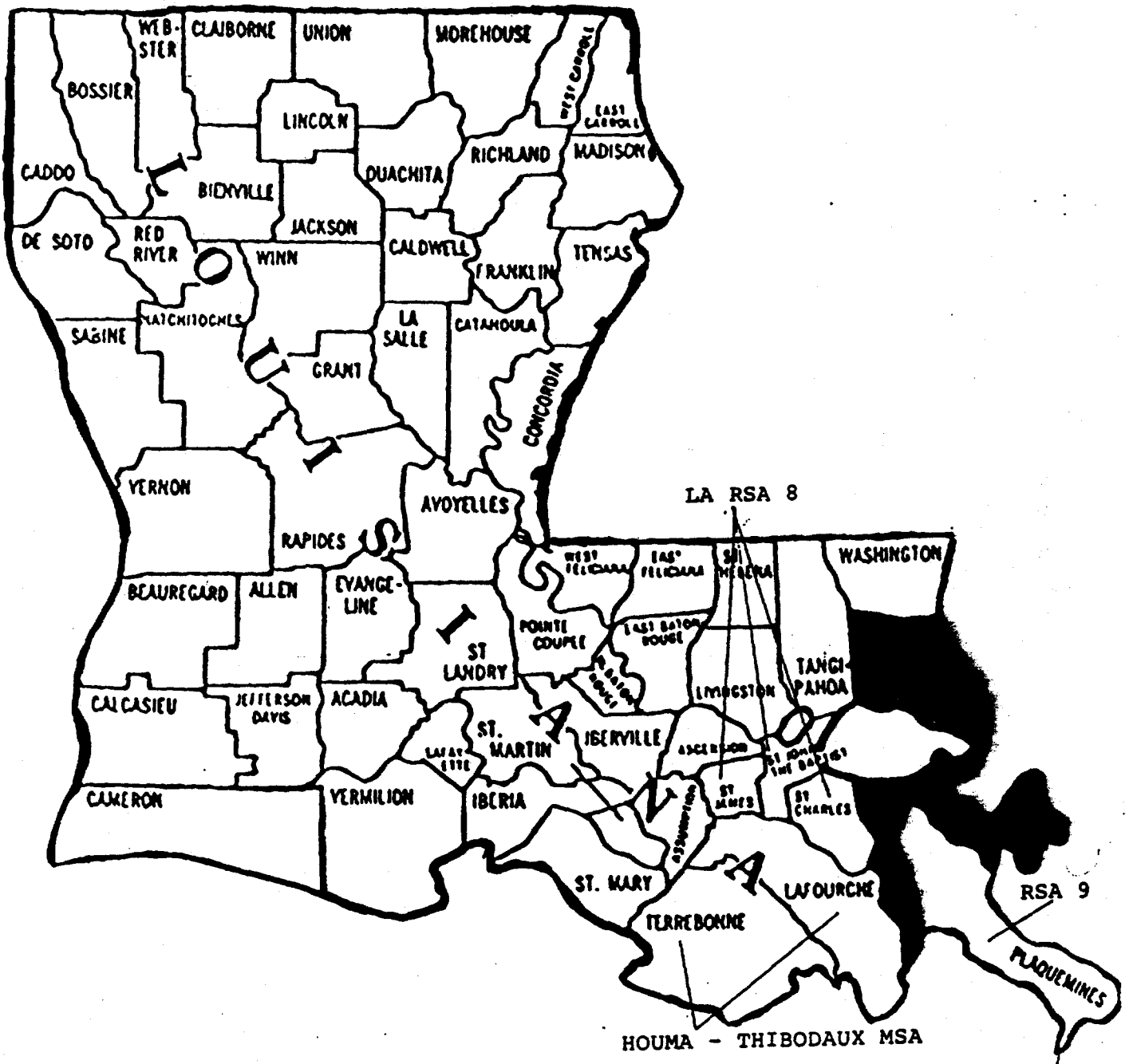
22. As previously stated, I participated in a telephone conference concerning the amendment of La Star's Joint Venture



Agreement. SJI Cellular has paid fifty-one percent of La Star's expenses since May 31, 1990.

As is evidenced by La Star's activities, to date, La Star has needed to do little more than litigate to enforce its right to maintain its applicant status before the FCC. At each juncture, I approved the filing or directed counsel to file appropriate pleadings. Counsel took no action until SJI Cellular approved that action. The prosecution of La Star's application from its inception has been under the control of SJI Cellular. There has not been a single instance in which any action has been taken without my knowledge and approval or against my wishes.

Attachment A



Yellow- SJI, Inc.  
Green - La Star  
Red - NOCGSA



"Majority Vote" means the affirmative vote of the Parties whose then ownership interests aggregate a majority or more of the total ownership interests in the Company.

"Party" or "Partner" means a party to this Joint Venture Agreement or any Person who may subsequently become a Party hereto by virtue of any properly executed amendment to the Agreement.

"Partnership Act" means the Uniform Partnership Act as in force in the State of California.

"Person" means any individual, partnership, corporation, trust or other entity.

"Pro Rata" means in the proportion which the respective Partnership Ownership Interest of any Partner entitled to participate in any action bears to the sum of the Partnership Ownership Interests of all such Partners.

"Referee" means any person selected by the Management Committee pursuant to Section 11.1(b) of this Agreement to determine indemnification claims under Section 11.1(a).

## ARTICLE II

### Organizational Matters

2.1 Name and Principal Place of Business. The Name of the Joint Venture shall be La Star Cellular Telephone Company. The principal place of business and the principal office of the Company shall be in Larose, Louisiana, or such other place as the Joint Venture Partners may determine from time to time.

2.2 Purposes. The purpose and scope of the Joint Venture shall be to design, develop, construct, own, manage, operate and maintain, solely or in conjunction with others, a Cellular System in the Service Area, to market the service thereof on both